

TOROMONT INDUSTRIES LTD.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited)

(\$ thousands)	Note	March 31 2020	December 31 2019	March 31 2019
Assets				
Current assets				
Cash		\$ 388,182	\$ 365,589	184,171
Accounts receivable		454,148	525,052	466,219
Inventories		976,401	912,186	1,014,915
Income taxes receivable		16,651	9,364	9,678
Derivative financial instruments	5	36,916	-	7,075
Other current assets		16,547	12,063	13,521
Total current assets		1,888,845	1,824,254	1,695,579
Property, plant and equipment	2	432,087	428,527	409,420
Rental equipment	2	592,814	592,403	564,125
Other assets		41,760	42,105	46,152
Deferred tax assets		1,275	1,217	1,571
Goodwill and intangible assets		481,962	482,831	485,439
Total assets		\$ 3,438,743	\$ 3,371,337	\$ 3,202,286
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities		\$ 751,517	\$ 819,946	\$ 873,789
Provisions		24,287	23,680	24,087
Deferred revenues and contract liabilities		153,483	140,898	149,442
Derivative financial instruments	5	-	10,366	21
Income taxes payable		-	89	-
Total current liabilities		929,287	994,979	1,047,339
Deferred revenues and contract liabilities		12,895	16,407	16,867
Long-term lease liabilities		21,098	21,734	26,909
Long-term debt	3, 5	745,703	645,471	644,773
Post-employment obligations	9	103,443	125,705	119,395
Deferred tax liabilities		51,011	33,150	10,962
Total liabilities		1,863,437	1,837,446	1,866,245
Shareholders' equity				
Share capital		491,452	490,047	466,031
Contributed surplus		14,182	13,088	12,927
Retained earnings		1,057,222	1,031,097	854,257
Accumulated other comprehensive income (loss)		12,450	(341)	2,826
Total shareholders' equity		1,575,306	1,533,891	1,336,041
Total liabilities and shareholders' equity		\$ 3,438,743	\$ 3,371,337	\$ 3,202,286

See accompanying notes

TOROMONT INDUSTRIES LTD.
INTERIM CONDENSED CONSOLIDATED INCOME STATEMENTS
(Unaudited)

(\$ thousands, except share amounts)	Note	Three months ended March 31	
		2020	2019
Revenues	11	\$ 715,459	\$ 699,974
Cost of goods sold		544,601	529,313
Gross profit		170,858	170,661
Selling and administrative expenses		115,617	111,878
Operating income		55,241	58,783
Interest expense	6	6,931	6,919
Interest and investment income	6	(2,726)	(2,572)
Income before income taxes		51,036	54,436
Income taxes		13,640	15,175
Net earnings		\$ 37,396	\$ 39,261
Earnings per share			
Basic	7	\$ 0.46	\$ 0.48
Diluted	7	\$ 0.45	\$ 0.48
Weighted average number of shares outstanding			
Basic	7	82,015,440	81,326,182
Diluted	7	82,548,816	82,001,203

See accompanying notes

TOROMONT INDUSTRIES LTD.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

(\$ thousands)	Three months ended March 31	
	2020	2019
Net earnings	\$ 37,396	\$ 39,261
Other comprehensive income (loss), net of income taxes:		
<i>Items that may be reclassified subsequently to net earnings:</i>		
Foreign currency translation adjustments	931	(189)
Unrealized gains (losses) on derivatives designated as cash flow hedges	19,606	(4,729)
Income tax (expense) recovery	(5,155)	1,229
Unrealized gains (losses) on cash flow hedges, net of income taxes	14,451	(3,500)
Realized (gains) losses on derivatives designated as cash flow hedges	(3,528)	762
Income tax expense (recovery)	937	(198)
Realized (gains) losses on cash flow hedges, net of income taxes	(2,591)	564
<i>Items that will not be reclassified subsequently to net earnings:</i>		
Actuarial and other gains (losses)	24,222	(19,122)
Income tax (expense) recovery	(6,419)	5,067
Actuarial and other gains (losses), net of income taxes	17,803	(14,055)
Other comprehensive income (loss)	30,594	(17,180)
Total comprehensive income	\$ 67,990	\$ 22,081

See accompanying notes

TOROMONT INDUSTRIES LTD.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(\$ thousands)	Note	Three months ended March 31	
		2020	2019
Operating activities			
Net earnings		\$ 37,396	\$ 39,261
Items not requiring cash:			
Depreciation and amortization		41,867	39,268
Stock-based compensation		1,410	1,458
Post-employment obligations		1,961	(4,069)
Deferred income taxes		7,355	1,570
Gain on sale of rental equipment and property, plant and equipment		(8,093)	(4,845)
		81,896	72,643
Net change in non-cash working capital and other	10	(98,551)	(168,492)
Additions to rental equipment	2	(36,632)	(60,111)
Proceeds on disposal of rental equipment		12,402	16,289
Cash used in operating activities		(40,885)	(139,671)
Investing activities			
Additions to property, plant and equipment	2	(19,017)	(6,487)
Proceeds on disposal of property, plant and equipment		9,766	195
Increase in other assets		(46)	(48)
Cash used in investing activities		(9,297)	(6,340)
Financing activities			
Drawings on credit facility		100,000	-
Repayment of senior debentures		-	(1,022)
Dividends paid	4	(22,139)	(18,737)
Cash received on exercise of stock options		1,494	6,821
Shares purchased for cancellation	4	(4,043)	-
Payment of lease liabilities		(2,685)	(2,409)
Cash provided by (used in) financing activities		72,627	(15,347)
Effect of currency translation on cash balances		148	95
Increase (decrease) in cash during the period		22,593	(161,263)
Cash, at beginning of the period		365,589	345,434
Cash, at end of the period		\$ 388,182	\$ 184,171

Supplemental cash flow information (note 10)

See accompanying notes

TOROMONT INDUSTRIES LTD.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited)

	Share capital		Accumulated other comprehensive income (loss)					Total	Total
	Number	Amount	Contributed surplus	Retained earnings	Foreign currency translation adjustments	Cash flow hedges	Total		
(\$ thousands, except share numbers)									
At January 1, 2020	82,012,448	\$ 490,047	\$ 13,088	\$1,031,097	\$ 2,219	\$ (2,560)	\$ (341)	\$ 1,533,891	
Net earnings	-	-	-	37,396	-	-	-	37,396	
Other comprehensive income	-	-	-	17,803	931	11,860	12,791	30,594	
Total comprehensive income	-	-	-	55,199	931	11,860	12,791	67,990	
Exercise of stock options	35,980	1,810	(316)	-	-	-	-	1,494	
Stock-based compensation expense	-	-	1,410	-	-	-	-	1,410	
Effect of stock compensation plans	35,980	1,810	1,094	-	-	-	-	2,904	
Shares purchased for cancellation	(67,800)	(405)	-	(3,638)	-	-	-	(4,043)	
Dividends declared	-	-	-	(25,436)	-	-	-	(25,436)	
At March 31, 2020	81,980,628	\$ 491,452	\$ 14,182	\$1,057,222	\$ 3,150	\$ 9,300	\$ 12,450	\$ 1,575,306	
At January 1, 2019	81,226,383	\$ 457,800	\$ 12,879	\$ 851,049	\$ 2,700	\$ 3,251	\$ 5,951	\$ 1,327,679	
Net earnings	-	-	-	39,261	-	-	-	39,261	
Other comprehensive loss	-	-	-	(14,055)	(189)	(2,936)	(3,125)	(17,180)	
Total comprehensive income (loss)	-	-	-	25,206	(189)	(2,936)	(3,125)	22,081	
Exercise of stock options	257,265	8,231	(1,410)	-	-	-	-	6,821	
Stock-based compensation expense	-	-	1,458	-	-	-	-	1,458	
Effect of stock compensation plans	257,265	8,231	48	-	-	-	-	8,279	
Dividends declared	-	-	-	(21,998)	-	-	-	(21,998)	
At March 31, 2019	81,483,648	466,031	12,927	854,257	\$ 2,511	\$ 315	\$ 2,826	\$ 1,336,041	

See accompanying notes

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
As at and for the three months ended March 31, 2020
(Unaudited)

(\$ thousands, except where otherwise indicated)

1. DESCRIPTION OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Corporate Information

Toromont Industries Ltd. (the “Company” or “Toromont”) is a limited company incorporated and domiciled in Canada whose shares are publicly traded on the Toronto Stock Exchange under the symbol TIH. The registered office is located at 3131 Highway 7 West, Concord, Ontario, Canada.

Toromont operates through two reportable segments: the Equipment Group and CIMCO. The Equipment Group includes one of the larger Caterpillar dealerships by revenue and geographic territory in addition to industry leading rental operations and an agricultural equipment business. CIMCO is a market leader in the design, engineering, fabrication and installation of industrial and recreational refrigeration systems. Both segments offer comprehensive product support capabilities.

Basis of Preparation

These interim condensed consolidated financial statements were prepared in accordance with International Accounting Standards (“IAS”) 34 - *Interim Financial Reporting* (“IAS 34”). Accordingly, these interim condensed consolidated financial statements do not include all disclosures required for annual financial statements and should be read in conjunction with the audited annual consolidated financial statements of the Company for the year ended December 31, 2019.

The preparation of interim condensed consolidated financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the interim condensed consolidated financial statements were the same as those that applied to the Company’s consolidated financial statements as at and for the year ended December 31, 2019.

These interim condensed consolidated financial statements are presented in Canadian dollars and all values are rounded to the nearest thousands, except where otherwise indicated.

These interim condensed consolidated financial statements were authorized for issue by the Board of the Directors on April 30, 2020.

The accounting policies adopted in the preparation of these interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company’s annual financial statements for the year ended December 31, 2019. Several amendments apply for the first time in 2020, but do not have an impact on the interim condensed consolidated financial statements of the Company. The Company has not early-adopted any other standard,

interpretation or amendment that has been issued but is not yet effective.

2. PROPERTY, PLANT AND EQUIPMENT AND RENTAL EQUIPMENT

Activity within property, plant and equipment and rental equipment during the period included:

	Three months ended March 31	
	2020	2019
Additions		
Rental equipment	\$ 36,632	\$ 60,111
Property, plant and equipment	19,017	6,487
Total additions	\$ 55,649	\$ 66,598
Disposals - Net book value ("NBV")		
Rental equipment	\$ 8,518	\$ 11,459
Property, plant and equipment	5,557	180
Total disposals - NBV	\$ 14,075	\$ 11,639
Depreciation		
Cost of goods sold	\$ 32,091	\$ 30,183
Selling and administrative expenses	5,910	5,442
Total depreciation	\$ 38,001	\$ 35,625

3. LONG-TERM DEBT

	March 31 2020	December 31 2019	March 31 2019
Bank revolving credit facility	\$ 100,000	\$ -	\$ -
Senior Debentures:			
3.71%, \$150.0 million, due September 30, 2025 ⁽¹⁾	150,000	150,000	150,000
3.84%, \$500.0 million, due October 27, 2027 ⁽¹⁾	500,000	500,000	500,000
	750,000	650,000	650,000
Debt issuance costs, net of amortization	(4,297)	(4,529)	(5,227)
Total long-term debt	\$ 745,703	\$ 645,471	\$ 644,773
Less: Current portion of long-term debt	-	-	-
Non-current portion of long-term debt	\$ 745,703	\$ 645,471	\$ 644,773

⁽¹⁾ Interest payable semi-annually, principal due on maturity.

All debt is unsecured.

The Company maintains a \$500.0 million committed revolving credit facility that matures in October 2022. Debt under the facility is unsecured and ranks pari passu with debt outstanding under Toromont's existing debentures. Interest is based on a floating rate, primarily bankers' acceptances and prime, plus applicable margins and fees based on the terms of the credit facility.

As at March 31, 2020, \$100.0 million was drawn on the facility. No amounts were drawn on the revolving credit facility as at December 31, 2019 or March 31, 2019. Standby letters of credit issued utilized \$34.0 million of the facility as at March 31, 2020 (December 31, 2019 - \$33.1 million and March 31, 2019 - \$30.2 million). At March 31, 2020, the interest rate on these drawings was 2.67%.

4. SHARE CAPITAL

Normal Course Issuer Bid (“NCIB”)

During the three months ended March 31, 2020, the Company purchased and cancelled 67,800 common shares for \$4.0 million (average cost of \$59.62 per share, including transaction costs) under the NCIB program. No shares were purchased and cancelled during the comparative period in 2019.

Dividends

The Company paid dividends of \$22.1 million or \$0.27 per share during the three months ended March 31, 2020 (2019 - \$18.7 million or \$0.23 per share).

The quarterly dividend was increased on February 11, 2020, to \$0.31 per share effective with the dividend paid on April 2, 2020.

5. FINANCIAL INSTRUMENTS

Financial Assets and Liabilities – Classification and Measurement

The following table highlights the carrying amounts and classifications of certain financial assets and liabilities:

	March 31 2020	December 31 2019	March 31 2019
Other financial liabilities:			
Long-term debt	\$ 745,703	\$ 645,471	\$ 644,773
Derivative financial instruments assets (liabilities), net:			
Foreign exchange forward contracts	\$ 36,916	\$ (10,366)	\$ 7,054

Fair Value of Financial Instruments

The fair value of derivative financial instruments is measured using the discounted value of the difference between the contract’s value at maturity based on the contracted foreign exchange rate and the contract’s value at maturity based on the comparable foreign exchange rate at period-end under the same conditions. The financial institution’s credit risk is also taken into consideration in determining fair value. The valuation is determined using Level 2 inputs, which are observable

inputs or inputs that can be corroborated by observable market data for substantially the full term of the asset or liability, most significantly foreign exchange spot and forward rates.

The fair value and carrying value of long-term debt is as follows:

Long-term debt	March 31 2020	December 31 2019	March 31 2019
Fair value	\$ 771,046	\$ 683,092	\$ 683,167
Carrying value	\$ 750,000	\$ 650,000	\$ 650,000

The fair value was determined using the discounted cash flow method, a generally accepted valuation technique. The discounted factor is based on market rates for debt with similar terms and remaining maturities and based on Toromont's credit risk. The Company has no plans to prepay these instruments prior to maturity. The valuation is determined using Level 2 inputs, which are observable inputs or inputs that can be corroborated by observable market data for substantially the full term of the asset or liability.

During the three-month period ended March 31, 2020, there were no transfers between Level 1 and Level 2 fair value measurements.

Derivative Financial Instruments and Hedge Accounting

Foreign exchange contracts and options are transacted with financial institutions to hedge foreign currency-denominated obligations related to purchases of inventory and sales of products. As at March 31, 2020, the Company was committed to USD purchase contracts with a notional amount of \$489.7 million at an average exchange rate of \$1.3411, maturing between April 2020 and February 2021. The Company was also committed to USD sell contracts with a notional amount of \$16.1 million at an average exchange rate of \$1.3762, maturing between April 2020 and May 2020.

Management estimates that a gain of \$37.3 million (December 31, 2019 – loss of \$10.4 million; March 31, 2019 – gain of \$7.1 million) would be realized if the contracts were terminated on March 31, 2020. Certain of these forward contracts are designated as cash flow hedges, and accordingly, an unrealized gain of \$10.8 million (December 31, 2019 – unrealized loss of \$2.8 million; March 31, 2019 – unrealized gain of \$0.4 million) has been included in other comprehensive income (loss). These gains are not expected to affect net income as the amounts will be reclassified to net income within the next eleven months and will offset losses recorded on the underlying hedged items, namely foreign-denominated accounts payable and accrued liabilities. Certain of those forward contracts are not designated as cash flow hedges, but are entered into for periods consistent with foreign currency exposure of the underlying transactions. A gain of \$26.5 million (December 31, 2019 – loss of \$7.6 million; March 31, 2019 – gain of \$6.7 million) on forward contracts not designated as hedges is included in net income, which offsets losses recorded on the foreign-denominated items, namely accounts payable and accrued liabilities.

6. INTEREST INCOME AND EXPENSE

The components of interest expense were as follows:

	Three months ended March 31	
	2020	2019
Credit facilities	\$ 410	\$ 416
Senior debentures	6,278	6,258
Interest on lease liabilities	243	245
	\$ 6,931	\$ 6,919

The components of interest and investment income were as follows:

	Three months ended March 31	
	2020	2019
Interest on conversion of rental equipment	\$ 771	\$ 937
Other	1,955	1,635
	\$ 2,726	\$ 2,572

7. EARNINGS PER SHARE

	Three months ended March 31	
	2020	2019
Net earnings available to common shareholders	\$ 37,396	\$ 39,261
Weighted average common shares outstanding	82,015,440	81,326,182
Dilutive effect of stock option conversions	533,376	675,021
Diluted weighted average common shares outstanding	82,548,816	82,001,203
Earnings per share:		
Basic	\$ 0.46	\$ 0.48
Diluted	\$ 0.45	\$ 0.48

There were no anti-dilutive options in the three-month period ended March 31, 2020. For the three months ended March 31, 2019, 580,250 outstanding share options with an exercise price of \$66.22 were considered anti-dilutive (exercise price in excess of average market price) and were excluded from the calculation.

8. STOCK-BASED COMPENSATION

A reconciliation of the outstanding options was as follows:

	Three months ended March 31, 2020		Three months ended March 31, 2019	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Options outstanding, January 1	2,329,705	\$ 51.68	2,636,070	\$ 43.78
Exercised ⁽¹⁾	(35,980)	41.53	(257,265)	26.51
Forfeited	(2,000)	65.97	(8,900)	51.33
Options outstanding, March 31	2,291,725	\$ 51.82	2,369,905	\$ 45.62
Options exercisable, March 31	859,935	\$ 39.81	841,215	\$ 33.60

⁽¹⁾ The weighted average share price at date of exercise for the three months ended March 31, 2020 was \$69.62 (2019 - \$68.61).

The following table summarizes stock options outstanding and exercisable as at March 31, 2020.

Range of Exercise Prices	Options Outstanding			Options Exercisable	
	Number	Weighted Average Remaining Life (years)	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
\$23.40 - \$26.52	280,520	4.1	\$ 25.67	280,520	\$ 25.67
\$36.65 - \$39.79	595,800	5.9	\$ 38.37	345,560	\$ 38.09
\$53.88 - \$66.22	1,415,405	8.4	\$ 62.67	233,855	\$ 59.30
	2,291,725	7.2	\$ 51.82	859,935	\$ 39.81

Deferred Share Unit Plan ("DSU")

A reconciliation of the DSU plan was as follows:

	Three months ended March 31, 2020		Three months ended March 31, 2019	
	Number of DSUs	Value	Number of DSUs	Value
Outstanding, January 1	388,547	\$ 27,392	358,151	\$ 19,005
Units taken or taken in lieu and dividends	12,017	813	11,892	792
Redemptions	-	-	-	-
Fair market value adjustment	-	(3,993)	-	5,138
Outstanding, March 31	400,564	\$ 24,212	370,043	\$ 24,935

The liability for DSUs is recorded in accounts payable and accrued liabilities.

9. EMPLOYEE FUTURE BENEFITS

Employee future benefits expense included the following components:

	Three months ended March 31	
	2020	2019
Defined benefit plans	\$ 4,914	\$ 3,815
Curtailment gain	-	(5,000)
Defined contribution plans	4,001	3,711
401(k) matched savings plans	70	65
	\$ 8,985	\$ 2,591

10. SUPPLEMENTAL CASH FLOW INFORMATION

	Three months ended March 31	
	2020	2019
Net change in non-cash working capital and other		
Accounts receivable	\$ 70,904	\$ 56,243
Inventories	(64,215)	(141,408)
Accounts payable and accrued liabilities	(71,803)	(70,799)
Provisions	607	(295)
Deferred revenue and contract liabilities	9,073	12,818
Income taxes	(7,376)	(38,046)
Derivative financial instruments	(31,394)	16,603
Other	(4,347)	(3,608)
	\$ (98,551)	\$ (168,492)
Cash paid during the period for:		
Interest	\$ 4,092	\$ 649
Income taxes	\$ 13,870	\$ 51,751
Cash received during the period for:		
Interest	\$ 2,615	\$ 2,516
Income taxes	\$ 166	\$ -

11. SEGMENTED INFORMATION

The Company has two reportable segments: the Equipment Group and CIMCO as described in note 1, each supported by the corporate office. These segments are strategic business units that offer different products and services, and each is managed separately. The corporate office provides finance, treasury, legal, human resources and other administrative support to the segments and does not meet the definition of a reportable operating segment as defined in International Financial Reporting Standards (“IFRS”) 8 – *Operating Segments*, as it does not earn revenue.

The accounting policies of each of the reportable segments are the same as the significant accounting policies described in the most recent annual audited consolidated financial statements.

Segment performance is assessed based on operating income, which is measured differently than income from operations in the interim condensed consolidated financial statements. Corporate overheads are allocated to the segments based on revenue. Income taxes, interest expense, interest and investment income are managed at a consolidated level and are not allocated to the reportable operating segments. Current income taxes, deferred income taxes and certain financial assets and liabilities are not allocated to the segments as they are also managed on a consolidated level.

The aggregation of the operating segments is based on the economic characteristics of the business units. These business units are considered to have similar economic characteristics including nature of products and services, class of customers and markets served and similar distribution models.

No reportable segment is reliant on any single external customer.

The following table sets forth information by segment for the three months ended March 31, 2020 and 2019:

Three months ended March 31	Equipment Group		CIMCO		Consolidated	
	2020	2019	2020	2019	2020	2019
Equipment/package sales	\$ 251,735	\$ 238,709	\$ 22,609	\$ 31,527	\$ 274,344	\$ 270,236
Rentals	80,978	81,082	-	-	80,978	81,082
Product support	322,351	311,560	35,074	34,572	357,425	346,132
Power generation	2,712	2,524	-	-	2,712	2,524
Total revenues	\$ 657,776	\$ 633,875	\$ 57,683	\$ 66,099	\$ 715,459	\$ 699,974
Operating income	\$ 55,076	\$ 57,673	\$ 165	\$ 1,110	\$ 55,241	\$ 58,783
Interest expense					6,931	6,919
Interest and investment income					(2,726)	(2,572)
Income taxes					13,640	15,175
Net earnings					\$ 37,396	\$ 39,261

Operating income from rental operations was \$2.4 million for the three months ended March 31, 2020 (2019 – operating income of \$2.6 million).

12. BUSINESS SEASONALITY AND UNCERTAINTY

Interim period revenues and earnings historically reflect seasonality. For the Equipment Group, the first quarter is typically the weakest due to winter shutdowns in the construction industry while the fourth quarter has consistently been the strongest quarter due to higher conversions at the Caterpillar dealership of equipment on rent with a purchase option. For CIMCO, the fourth quarter tends to be the strongest due to higher activity in recreational markets in advance of the winter recreational season.

The recent outbreak of COVID-19 has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have affected economies and financial markets around the world resulting in an economic slowdown. This outbreak may also cause staff shortages, affect customer demand, increased government regulations or intervention, all of which may negatively impact the business, financial results and conditions of the Company. While Toromont's businesses have, to date, been declared essential services in all jurisdictions in which the Company operates, Toromont is not insulated from the broader economic, financial and market impacts. Activity reductions of certain mine sites and construction projects reduced demand for our products and services in the latter part of the quarter. The duration and impact of the COVID-19 outbreak is unknown at this time and it is not possible to reliably estimate the length and severity of these developments or the impact on the financial results and condition of the Company in future periods.

While the direct impacts of COVID-19 are not determinable at this time, as at March 31, 2020, the Company had cash on hand of \$388 million, available liquidity of \$366 million, exclusive of the new \$250 million revolving line of credit referred to in note 13 below. The company also has a certain degree of flexibility in its operating and investing plans to mitigate the impacts of COVID-19.

13. SUBSEQUENT EVENT

On April 17, 2020, the Company entered into an additional \$250 million committed revolving credit facility maturing in April 2021. Debt incurred under the facility is unsecured and ranks pari passu with Toromont's existing debt. Interest is based on a floating rate, primarily bankers' acceptances and prime, plus applicable margins and fees based on the terms of the credit facility.

This supplemental credit arrangement includes covenants, restrictions and events of default usually present in credit facilities of this nature, including requirements to meet certain financial tests periodically and restrictions on additional indebtedness and encumbrances.